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MISGUIDED PATRIOTISM

By Frank Chodorov

There is no questioning the patriotism of men who, like Charles E. Wilson, give freely of their talents, experience and energy to the political establishment. The motives of these businessmen are of the highest. Their wisdom is another matter, and even they must at times question it. In helping the bureaucracy to further its purposes, are they acting in the best interest of their country? Will their sacrifices make this a better land for their children to live in?

We must not confuse these men with the obscene and ubiquitous five-percenters, the hired hyenas of the business world who grin their way through the labyrinth that is Washington. In all probability the firms they represent are incompetents of the same moral stripe, managing to keep one step ahead of the sheriff only with the help of Government contracts and loans. This certainly is true of those who shore up their rickety affairs by borrowing from the RFC and other lending agencies.

Then there is another kind of "businessman" who must be written off. He is the man of means who has given up on the American tradition and is "buying insurance" against future reprisal. Having accepted the trend toward collectivism as inevitable, this fellow "comes to the aid of the country" with substantial contributions (sometimes through foundations) to movements and individuals who, in his judgment, are on the "winning" side. His motives are as sordid as his thinking is shallow. He is doomed to extinction by the thing he is helping to bring about.

The wisdom in question is that of the capable and unselfish entrepreneur who, answering the call of duty, as he sees it, permits himself to be drawn into the Washington vortex, either as a stand-in bureaucrat or as an unwilling contractor.

The case of a reputable New York engineering firm is in point. It is unthinkable that this old and successful concern ever solicited government business. How it got into it is not public knowledge, but the fact is that it has become a "finder" for the bureaucracy. When an agency is confronted with a procurement problem involving technological know-how, it puts the matter before this firm, which in turn sets its

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operatives to the task of finding the available skill and equipment. If the existing facilities have to be adapted to the Government's needs, their extensive engineering knowledge is at hand. If finances are needed, a Wall Street connection is contacted, and since a government contract is assured, the financial problem is solved as expeditiously as the manufacturing problem. The bureaucracy has scored a hit.

Through such methods many an entrepreneur who might be rendering a social service is sucked into the collectivistic maelstrom. Unwittingly, and in some cases unwillingly, he becomes a tool of the State. Refusal to cooperate is possible, but what with the suggested taint of unpatriotism, or extinguishment through lack of supplies, or the danger of reprisal, only the most intrepid idealist would buck the suave bureaucratic bully. The profit-motive is, of course, always present -- who is free of it? -- but the fact is that as the economy becomes more and more politically controlled the area of private initiative is delimited, and then the question is not profit but existence.

But what of liberty? What of America's future? The time has come when the American businessman, along with all other citizens, must face up to fundamentals, and without equivocation. Does one help one's country by helping the bureaucrat out of a difficulty created by the bureaucrat, or is one a better patriot by refusing to cooperate?

II

The bureaucrat is completely incapable of making a useful thing. He talks about the virtues of a controlled economy, but when it comes to making any part of the economy work he is helpless. He has no equipment for it. All his training has been directed toward the acquisition and exercise of power. He can fashion laws, make phrases, manipulate situations, lie convincingly, deal under the table of protocol. He cannot raise an onion or cobble a shoe. He is lost when his lust for power compels him to look into the practical problems of production. It is then that he calls in a businessman.

If the politician could do it himself, would he call in a Wilson? Why share the glory of achievement with his intended victim? Besides, the businessman has a set of values that is entirely out of place in the political world, and his presence there is bound to be irritating. His insistence on results, with the least expenditure of effort and without regard to personalities, is out of line with the point of view that the only result worthwhile is political preferment.

Because of this basic contradiction, it is necessary that the businessman either adapt himself to the political cosmos or get out.

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If the businessman succumbs to political perversion, the cause is usually his own naiveté. His unfamiliarity with and distaste for political thinking invariably gets him into some impasse from which he is incapable of extricating himself. Perhaps he has said something that results in a "bad press", or maybe he has signed an honest report that is politically unpalatable to some "higher up". He is bewildered by the reaction; such a thing never came up in his career. At this point, an ingenious "middle" bureaucrat -- an entrenched civil service operative in the higher echelon -- soothingly takes his superior in hand and leads him out of the difficulty. From that point on the businessman leans more and more on his savior -- and he becomes a politician at heart. He sinks into protocol, lending his knowledge and talents to the purposes of politics, and forgets about the job he was supposed to do.

If, on the other hand, he is made of sterner stuff, his position will be made intolerable enough to compel him to throw it all up. The case of Mr. Wilson is illustrative. He was called in by Mr. Truman when the Korean affair started. Everything was at sixes-and-sevens in Washington; under the circumstances, Mr. Truman could think of no way out but the regimentation of private life -- the only cure-all in the politician's pharmacopia. How to do it? He reached out into industry for help. Now that the "emergency" has settled into regularity, the need for Mr. Wilson is not so urgent, and those in the know predict his early resignation. He has made enemies. If and when he does resign, no one, not even he himself, will know exactly how it was brought about; but it is a certainty that he will go out of public life with a depreciated reputation; the boys will see to that.

Nevertheless, he will have served the purpose of the bureaucracy. He will have set up the machinery for control, he will have created a lot of plush jobs for the gang, and he will have taken on himself the onus for the whole business. He will have made the Fair Deal bigger and better -- just as the businessman in the thirties "patriotically" came to the aid of the New Deal in another "emergency".

III

What must be the end-result of the mesalliance of business and politics? Just as bad money destroys the value of good money, so the virus of political intrusion into the body economic must undermine its health and ultimately wreck it. Private enterprise must go.

In the light of experience, we cannot come to any other conclusion than that if and when Socialism or Communism or Fascism -- the political

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control of our way of living -- comes to America and wipes out our tradition of freedom its advent will have been facilitated by the misguided patriotism of the capitalist. Roosevelt and his starry-eyed social workers hadn't the slightest idea of how to put their "more abundant life" into operation until management showed them a way: the businessmen worked out the details of the NRA and practical farmers helped organize the AAA. Likewise, the Fair Deal would have crashed on the rocks of ineptitude if private enterprise had not steered it to shore.

To put it bluntly: Communism will not be imported from Moscow; it will come out of Wall Street and Main Street. It will show up as a disease internally induced by bad habits, not the least of which is the growing practice of capitalists to come to the aid of the political establishment, in peacetime as well as wartime.

Putting aside that large element of the fraternity whose Americanism consists only of an immediate profit, and thinking of those who consort with politics because they consider it their duty as citizens, we must lay the error of their ways to either ignorance of basic principle or shortsightedness in temporizing with it. The basic principle, derived from all history, is that government is a necessary evil, not a means toward a good end, and that any course that tends to increase the power of government must deplete the power in the people governed. That is, there is an unending struggle between State and Society.

The Declaration of Independence -- which is the definitive expression of Americanism -- recognized that conflict by stipulating the limits of government. "For these purposes men institute government", it says. And what are these purposes? To safeguard the "unalienable rights" -- the rights that inhere in the individual by virtue of his existence and are derived not from his government but from his Creator. That is all. When government goes beyond this limitation it is a transgressor; so says the Declaration.

So then, true patriotism, faithfulness to the American tradition, demands a skeptical attitude toward politics. It must be presumed, a priori, that the politician's business is never to further the area of freedom, he has no interest in it, and that he is rather concerned with expanding his own area of activity. Hence, he must be kept constantly under surveillance. Cooperation with his schemes is dangerous to the interest of Society. The best the capitalist can do for his country, for his children, is to oppose intervention at every point, regardless of immediate consequences, and never to lend his prestige or capacities to the political establishment.

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Not Merely Gossip *A Supplement to* Human Events Vol. VIII, No. 11

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By Frank C. Hanighen March 14, 1951

SOVIET PROPAGANDA: A recent reception at the Soviet Embassy in Washington has stirred discussion here about Soviet maneuvers in the propaganda field. The function was held in honor of the Red Army and only members of foreign military missions and U.S. military officers were invited. Soviet officers, as if thoroughly drilled in their lines, spoke to guests of the possibilities of peace and the dangers of war. The Red officers emphasized the latter and stressed two specific dangers, as follows: (1) Western projects for the rearmament of Germany; and (2) Western bases in the Near East and North Africa.

The first point -- German rearmament -- has been common Soviet propaganda for some time. The second point, however, has not been a feature of the "line" until recently. Diplomatic observers in Washington studying the matter believe this propaganda maneuver is an attempt to scare European and Near Eastern countries. It is pointed out that France has North African possessions. Near Eastern countries, where territory might be used for air bases against the Soviet Union, have shown much ferment in recent months; and Soviet propaganda has worked to excite nationalism in North Africa. (In this connection, we draw attention to The Real Deterrent by General Bonner Fellers in HUMAN EVENTS for January 24. In that piece, General Fellers described the importance of air control over North Africa.)

As for "peace" moves, the Soviet Union has not -- at least as yet -- shown its hand in the current Paris meeting of the Big Four Powers' deputies. State and Defense Department circles reflect considerable relief; for it had been feared that Gromyko would unveil some clever and difficult (to handle) scheme for merging Sovietized East Germany with West Germany, accompanied by a demand for withdrawal of all foreign troops from all of Germany. Nothing resembling this has appeared at the Paris meeting so far. However, that conference has not to date finished its work; and, if successful, it will be followed, in April, by a meeting of Foreign Ministers. So, the State Department and Pentagon fear of a real Soviet peace maneuver has not been entirely eliminated.

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EISENHOWER APPOINTMENTS: Not only the "eyes and brains" of the European Army have been put under British control, but also the "hands". This discovery comes on the heels of our last week's item "Naval Command", in which we reported that Pentagon circles were disturbed by the naming of a British officer, General T. S. Airey, to the post of director of intelligence. As we explained, the British thus took control of the "eyes and brains", the gathering and evaluation of intelligence. This week, the talk centers on the fact that British Air Marshal Huddleston has been appointed Deputy Chief for Plans of the European Army. Those who know about military organization say that this title means command not only of planning but also of conduct of operations -- "the hands" that will do the job.

There is no disposition to criticize these British officers as individuals; both are regarded as men with first-class records. But, it is pointed out, the British have a set of interests which differ in some respects from those of the French and the Americans. Specific British interests can be given greater emphasis in the planning and operation of war -- "the hands" which do the job -- than those desired by Americans, French and others. A general staff is a bureaucracy and, as anyone who knows the bureaucracy will testify, these subordinate but key directors of policy and operations are in position to shape the whole military policy. The latter could be quite acceptable to the chiefs of other nations -- but not necessarily. Hence, Eisenhower's selections for his staff encounter increasing criticism on this side of the Atlantic.

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INTRACTABLE INTEREST: Early in February, the President announced that the Federal Reserve Board would support the price of Government bonds, and indicated that the Treasury was maintaining its low interest-rate policy. Last week, the FRB withdrew its support from the whole list of Government bonds and by Monday of this week some issues broke through par for the first time since their issuance during World War II. What has happened, and what is the significance?

One thing is certain -- the FRB, contrary to the President's prediction, has not adhered to its previously rigid bond-support policy; and the Treasury has weakened on its low-interest policy. But whether -- as some venture to suggest -- the withdrawal of bond support by the FRB will continue and a definitely higher interest rate policy will prevail -- are possibilities which few would care to predict with any certainty.

However, this much may be said with assurance, whatever course the FRB and the Treasury pursue and whatever the consequences: the events of the past week have shown that permanent Government control of the interest rate is not possible. Some have long suggested that the low money-rate prevailing was not the result of ostensible Government control of interest rates; that, in reality, it was rather the lack of a great demand for capital (due to New Deal fiscal policies) which caused the low level of money rates. Anyway, the greatly increased demand for capital in the past half-year for the financing of the present war has obviously bent, if not broken, the Government attempt to rigidly maintain money rates at their formerly low level. In short, one of the principal doctrines of the late John Maynard Keynes has been demonstrated as untenable: that interest rates can be controlled.

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BY-ELECTION: The Republican victory in the special election (in the Missouri Congressional district) last week has bolstered GOP hopes -- and not entirely without reason. It is true that local crime scandals favored Claude L. Bakewell, the GOP winning candidate in the St. Louis district. But, it is pointed out, this district was carried by a Democrat in November by a 25,000 majority. Bakewell won last week by a comfortable 6,000-vote margin. This drastic voter shift can not be entirely attributed to local issues.

Advices from St. Louis stress that this Democratic defeat represented (1) an upsurge of independent voters against the Democrats; (2) the absence from the polling booths of many Democrats; (3) a return of many negro voters to the Republican ticket; (4) coolness of labor organizations toward the Democrats (in a strongly labor district). It is noted that Mr. Bakewell, the victor, served once before in the 80th Congress, and that he had supported the Taft-Hartley Act. Because of the comparative lightness of the vote, the victory can scarcely be interpreted as evidence of great Republican strength. But the outcome is still another symptom of the prevailing discontent of voters with the Democratic Administration.

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DEWEY: The New York Governor's demand (reiterated in his Lincoln Day address) for 100 divisions for Europe had a round-number impressiveness for the newspaper headlines. But GOP members of Congress wonder if Dewey really understood the budgetary implications of what he was talking about. Would he have ventured to propose that over six and a half million American soldiers should be raised to defend Europe? Yet, that is the substance of his talk, whether he knew it or not.

According to military observers, this is how it is figured. On the basis of World War II experience (and obviously our command is planning to fight the next war on the basis of the last one), the military manpower necessary for 100 divisions would come to at least 6,700,000 men. It is true that we begin with a figure of

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18,000 men to a division; but that is only combat troops. All the auxiliary services must be figured and the "divisional slice" is always far greater than the actual front-line soldiers, since it must include the demands of logistics. Next, the cost of one soldier per year, including pay, allowances, shelter, food, clothing, transport, etc., comes to an estimated $10,000. On the reasonable assumption that the Dewey 100-division army would be composed of 5 airborne, 25 armored and 70 infantry divisions, the cost of equipment alone is estimated at $25 billion. In short, the Dewey program would cost $67 billion a year for the armed forces, plus an initial cost of $25 billion for equipment. It may be that these figures give the New York Governor no pause, but they do impress members of Congress who participate in the "Great Debate" and who seek to raise the money for such military plans.

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REVOLT IN THE STATE CAPITALS: In Washington, observers are giving increasing attention to national trends as they develop under the domes of the capitols of the forty-eight states. For instance, last week the approval of the 21st Amendment, limiting the presidential term, was studied with great care. Observers here remarked how rapidly the state legislatures turned to and voted for the Amendment, and the inference was drawn that the states were expressing, in this form, a warning that Truman should not seek another term.

Likewise, observers here have taken more interest in a new critical attitude of state legislatures towards the Administration foreign policy and conduct of the Korean War. We have on our desk a copy of House Concurrent Resolution No. 2, of January 18, 1951, of the Indiana state legislature, demanding among other things that the President and Congress support "military opposition by the Chinese Nationalist Government against the Chinese Communist revolutionists".

The Indiana legislative resolution was also, by implication, critical of the UN. Perhaps one of the most interesting manifestations of a change in popular attitude has been the treatment accorded international and world government by the legislatures. Some years ago, the formation of the UN was attended by resolutions in one form or another, passed by state legislatures (one or both houses) in favor of some kind of global government. At the peak, according to some figures we have received, over a dozen states passed such resolutions.

Now a contrary tide has set in. It is difficult to obtain completely accurate and up-to-date information on this trend. But from various reliable students of the matter we receive the following tabulation. State legislatures which have moved to rescind previous resolutions in favor of world government now number eleven: Oregon (recently), Oklahoma (November, 1950), Colorado (February 5, 1951), Georgia, California, Rhode Island, Alabama, Louisiana, Tennessee, Missouri, and Massachusetts. Also, the lower house of the New Hampshire legislature has moved to rescind. Meanwhile, resolutions for world government have been rejected in the legislatures of six states: Delaware, Iowa, New Mexico, New York, Michigan and Vermont. At the present time, a battle is going on in the Maryland legislature to rescind world government measures previously passed; the House has rescinded, and resolutions to rescind are under consideration in the Senate.

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NATIONAL SOCIALISM AND UMT: Senator William E. Jenner (R., Ind.) calls attention to the fact that the "so-called" Universal Military Training Bill is in fact two bills. "One extends", he said in a Senate speech on March 9, "the present Draft Act to meet an emergency. The other establishes permanent Universal Service for all youth, men and probably women, for both civilian and military purposes." As to the first "bill", Jenner endorsed continuation of the Draft Act as "adequate to meet any emergency. It met all the emergencies of World War II when we set up an armed force of more than 12 million men who fought in every quarter of the world."

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But, it was for the second "bill" for "universal service", that the Indiana Senator reserved his criticism. He pointed out that this bill "sets up among our people an Elite Corps of those who are permitted to study science, engineering, medicine and even the humanities. It will give the President nearly complete control of the population of our colleges and technical schools." It was doubtless no accident that the Senator chose the words "Elite Corps" to describe this new class which the bill proposes to create. For the Nationalist Socialist State of Germany had its "Elite Corps". But what about the curricula of this new, exclusive "college"? In the Declaration of Intent (in the proposed bill), it says: "Congress further declares that it is the duty of all citizens to engage in such training for civilian and military service as will prepare them for their responsibilities as citizens of a free and democratic nation." In somewhat similar terms, Hitler set up the notorious Hitler Youth organization. Finally, the Senator from Indiana saw in this proposal the germs of a labor draft. In conclusion, therefore, he described these "universal military training" provisions of the Act as the "ultimate stage" of collectivism, and called for their elimination.

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BUSTS AND BONDS: Congressman Howard Buffett (Republican, Nebraska), of the House Banking and Currency Committee, has come up with an illuminating observation: "Remember the bank closings up to 1933?" asks the Congressman in a release to his constituents. "And all the money people lost in busted banks? For years those losses -- a real tragedy -- were favorite campaign oratory of New Dealers. Large as those losses were, they were peanuts compared with the losses now being forced on U.S. Savings Bond holders. During 1950 alone, U.S. Savings Bonds lost three billion, six hundred millions in their purchasing power. By contrast, all losses by bank depositors from 1921 through 1933 totalled one billion, nine hundred millions."

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MARSHALL: General Marshall played a role in the crucial decision to land troops in Korea last summer, according to an article in the American Mercury (March) entitled "The Tragedy of General Marshall". The author of the piece, Mr. Walter Trohan, says: "When Truman was considering whether or not to send ground troops into Korea, he sought the advice of his 'greatest living American'. Marshall advised him to send in the troops." This statement by an exceptionally well-informed Washington newspaperman lends confirmation to a similar view which this column suggested on December 13, 1950, when we reported that Truman had secretly conferred with Marshall during the critical days of our tragic decisions. Mr. Trohan provides other, hitherto unpublished, evidence of the all-too-human errors of this top military leader. The recital of these mistakes has much value now and should not be dismissed as mere "debunking" of a military idol. When certain military figures, such as Marshall, throw their weight into the "Great Debate", it is time to scrutinize their records.

ANNOUNCEMENT: With this issue, HUMAN EVENTS adds to its roster the readership of the highly individualistic publication analysis (perversely spelled with a lower case "a"), edited these past six years by Frank Chodorov, who now joins our staff as Associate Editor. For several years his anti-statist views have stimulated or irritated -- but always interested -- our readers; his articles will appear with at least the same regularity as in the past. We believe, too, that our readers will appreciate his comments on economic matters, always prompted by his adherence to the classical school.

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